

Amendments to House Bill No. 658  
3rd Reading Copy

Requested by Senator Jeff Essmann

For the Senate Taxation Committee

Prepared by Lee Heiman  
April 8, 2009 (2:38pm)

SENATE TAXATION  
EXHIBIT NO. 14  
DATE 4.8.09  
BILL NO. HB 658

1. Title, page 1, line 19.

**Following:** "VETERANS;"

**Insert:** "REQUIRING NOTICE OF PROPERTY TAX ASSISTANCE PROGRAMS ON  
CLASSIFICATION AND APPRAISAL NOTICES; REQUIRING ANNUAL  
MAILINGS OF CLASSIFICATION AND APPRAISAL NOTICES;"

2. Title, page 1, line 28.

**Following:** line 27

**Insert:** "15-7-102,"

3. Page 4, line 2 through line 4.

**Strike:** subsection (3) in its entirety

**ReNUMBER:** subsequent subsection

4. Page 7, line 2.

**Strike:** "(a)"

5. Page 7, line 6 through line 8.

**Strike:** subsection (b) in its entirety

6. Page 9, line 18.

**Insert:** "Section 6. Section , MCA, is amended to read:

"15-7-102. Notice of classification and appraisal to owners  
-- appeals. (1) (a) Except as provided in 15-7-138, the  
department shall annually mail to each owner or purchaser under  
contract for deed a notice of the classification of the land  
owned or being purchased and the appraisal of the improvements on  
the land ~~only if~~. The notice must state whether one or more of  
the following changes pertaining to the land or improvements have  
been made since the last notice:

(i) change in ownership;

(ii) change in classification;

(iii) except as provided in subsection (1) (b), change in  
valuation; or

(iv) addition or subtraction of personal property affixed to  
the land.

~~(b) After the first year, the department is not required to  
mail the notice provided for in subsection (1) (a) (iii) if the  
change in valuation is the result of an annual incremental change  
in valuation caused by the phasing in of a reappraisal under~~

~~15-7-111 or the application of the exemptions under 15-6-222 or caused by an incremental change in the tax rate.~~

~~(c)(b)~~ The notice must include the following for the taxpayer's informational purposes:

(i) a notice of the availability of all the property tax assistance programs available to property taxpayers including the property tax assistance program under 15-6-134, the extended property tax assistance program under 15-6-193, the disabled or deceased veterans' residence exemption under 15-6-211, and the residential property tax credit for the elderly under 15-30-171 through 15-30-179;

~~(i)(ii)~~ the total amount of mills levied against the property in the prior year; and

~~(ii)(iii)~~ a statement that the notice is not a tax bill.

~~(d)(c)~~ Any misinformation provided in the information required by subsection ~~(i)(c)~~ (1)(b) does not affect the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

(2) (a) Except as provided in subsection (2)(c), the department shall assign each assessment to the correct owner or purchaser under contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the department, containing sufficient information in a comprehensible manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

(b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in 15-1-402.

(c) The department is not required to mail the notice of classification and appraisal to a new owner or purchaser under contract for deed unless the department has received the transfer certificate from the clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required by subsection (2)(a) are mailed. The department shall notify the county tax appeal board of the date of the mailing.

(3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the market value of the property as determined by the department or with the classification of the land or improvements, the owner may request an assessment review by submitting an objection in writing to the department, on forms provided by the department for that purpose, within 30 days after receiving the notice of classification and appraisal from the department. The review must be conducted informally and is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer in support of the

taxpayer's opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer of the time and place of the review. After the review, the department shall determine the correct appraisal and classification of the land or improvements and notify the taxpayer of its determination. In the notification, the department shall state its reasons for revising the classification or appraisal. When the proper appraisal and classification have been determined, the land must be classified and the improvements appraised in the manner ordered by the department.

(4) Whether a review as provided in subsection (3) is held or not, the department may not adjust an appraisal or classification upon the taxpayer's objection unless:

(a) the taxpayer has submitted an objection in writing; and

(b) the department has stated its reason in writing for making the adjustment.

(5) A taxpayer's written objection to a classification or appraisal and the department's notification to the taxpayer of its determination and the reason for that determination are public records. The department shall make the records available for inspection during regular office hours.

(6) If any property owner feels aggrieved by the classification or appraisal made by the department after the review provided for in subsection (3), the property owner has the right to first appeal to the county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right of review in the courts. The appeal to the county tax appeal board must be filed within 30 days after notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state tax appeal board may consider the actual selling price of the property, independent appraisals of the property, and other relevant information presented by the taxpayer as evidence of the market value of the property. If the county tax appeal board or the state tax appeal board determines that an adjustment should be made, the department shall adjust the base value of the property in accordance with the board's order."

{ Internal References to 15-7-102:

15-7-103\* x      15-7-138 x      15-7-138 x      15-7-208x  
15-15-102x      15-15-103x }

**Renumber:** subsequent sections

7. Page 10, line 6.

**Strike:** "2015"

**Insert:** "2014"

8. Page 14, line 4.

**Strike:** "6"

**Insert:** "7"

9. Page 14, line 9.

**Strike:** "6"

**Insert:** "7"

10. Page 14, line 10 through line 11.

**Strike:** subsection (3) in its entirety

11. Page 16, line 28.

**Strike:** "annual"

12. Page 16, line 29 through line 30.

**Strike:** "interest" on line 29 through "Washington" on line 30

**Insert:** "capitalization rate determined by the department after  
consultation with the forest lands taxation advisory  
committee"

**Following:** "rate."

**Insert:** "The capitalization rate must be adopted by rule."

13. Page 17, line 1.

**Following:** "period"

**Insert:** "for tax years 2009 through 2014"

- END -